

# Los Angeles Lender's Update

*A Newsletter from SBA's Los Angeles District Office*

Volume 1, Issue 1

## Calendar of Events

- The Pacific Coast Business Times in partnership with the SBA will host the Spirit of Small Business Awards on Friday, August 18, 2006 at the Fess Parker's DoubleTree Resort in Santa Barbara. Please contact Jennifer Hemmy at (805) 560-6950 ext. 228 for more information .
- A workshop entitled "Business Secrets on the Road to Opportunities" will be held at the Long Beach Library on Tuesday evening, August 22, 2006. Please contact Carmen Navarro at (626) 458-3566 for more information.

## SBAExpress Loan Approvals Fuel Growth In SBA Lending

In July of 2002, SBAExpress was revised and enhanced to significantly increase the number of small loans approved by the Agency and to increase the number of lenders participating in the program.

The program was developed to: (1) Increase the Agency's effectiveness in delivering financial assistance to the Nation's small business community; (2) Increase the efficiency and reduce the costs of processing SBA loans for both the Agency and its lending partners; (3) Reduce

required SBA paperwork and procedures to further streamline the Agency's loan approval process; and (4) Encourage more lenders to participate in SBA loan programs.

As a result of the 2002 program modifications to the SBAExpress program, the volume of loans approved under the program has increased significantly. In the five year period from FY2000 to FY2005 the number of SBAExpress loans guaranteed by the Agency increased from 9,296 to 59,390 or 539%. In the current fiscal year which ends September 30,

2006, the number of SBAExpress loan approvals nationwide is projected to be approximately 75,000 which would represent a 26% increase over the previous year.

On the local level, the Los Angeles District Office has also experienced significant growth in its lending program due to the increases in the number SBAExpress loans and we are projecting loans approvals will continue to grow due to the increased interest of our participating lenders in this program.

*(Continued on page 2)*

## Inside this issue:

Calendar of Events	1
SBAExpress Loans	1
New Deed Restrictions	1
SBA Preferred Lenders	2
Top LADO Lenders	3

## New Deed Restrictions on Service Station Purchases

The Office of Financial Assistance recently published SBA Information Notice No. 5000-987 which provided guidance in the purchase of gas station service stations where the deed includes a provision

restricting the brand of service station that may be operated on the premises.

These Deed restrictions typically are seen as part of a buy/sell agreement between the oil company

and the purchaser of one of its gasoline stations. They are usually also found in a Special Warrant Deed or other document recorded as part of the purchase and sale transaction. The

*(Continued on page 2)*

## SBAExpress Loan Approvals Fuel National and Local Growth In SBA Lending

*(Continued from page 1)*

The Lender Volume Rankings on page 3 highlight the fact that the SBAExpress loans progressively represent a higher percentage of our loan approvals. In FYE 9-30-03 SBAExpress loans were 75.8% of the total 7 (a) loans and that percentage increased to 87.0% among our most lenders that produce the largest volume of loans.

To support and encourage the

anticipated growth in our loan program we conducted four Advanced SBAExpress Lender Training Sessions. The sessions were held at the Los Angeles District Office on June 13<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup> and 22<sup>nd</sup> and were attended by more than 250 representatives from over 100 lending institutions.

The topics included:

- The role of small business/credit

scored lending in your institution

- Overview of SBAExpress Program
- Completing the required SBAExpress documentation
- Examples of SBAExpress loans
- Refinancing non SBA guaranteed loans with SBAExpress
- SBAExpress Eligibility

This was excellent opportunity for lenders involved in small business lending to learn

to utilize the SBAExpress program to the maximum benefit of their institution. Based on the unprecedented attendance that these training sessions generated, it is clear that the lending community participating with the Los Angeles District Office will be utilizing the SBAExpress program to increase both the number and types of loans they provide to the small businesses in our service area.

## New Deed Restrictions

*(Continued from page 1)*

restriction language generally appears titled as "Use or Operation Restrictions" or "Petroleum Restrictions".

Whether these restrictions are required as part of the

purchase and sale agreement or already contained in covenants running with the land, they are unacceptable for SBA lending because they severely compromise the marketability of the business real estate

collateral that would be securing the SBA-guaranteed loan.

Please scrutinize all real estate gasoline purchases very carefully for these types of restrictions.

If you have any questions regarding a particular transactions please feel free to call Stephen Olear, District Counsel at (818) 552-3307.

## SBA Preferred Lenders Granted National Authority

In an effort to streamline its loan programs to enhance program efficiency and to improve customer service to its lending partners and the small business community the SBA announced that all lenders with Preferred Lender status will be granted this authority

nationwide. This change in policy became effective May 2, 2006, and is referenced in SBA Procedural Notice 5000-989. Following discussions with the lending industry, the Agency has concluded that authorizing lenders to make PLP loans nationwide will enhance

small business access to capital, and that SBA's handling of requests by SBA lenders for PLP status can be more timely and efficient.

This will allow all existing and future-granted Preferred Lenders to have PLP status nationwide. The

expansion of the Preferred Lenders territory is consistent with the national authority that lenders are given in the SBAExpress program and will enable these lenders to choose the number and types of loans they provide to their small business customers.

U.S. Small Business Administration



Los Angeles District Office  
7(a) and Express Loan Volume  
Thru 5-31-06

Lender Name	7(a) #'s	7(a) \$'s	Express #'s	Express \$'s	% Express #'s	% Express
BANK OF AMERICA, NATIONAL ASSOC.	794	\$28,305,800	794	\$28,305,800	100%	100.0%
WELLS FARGO BANK, NATIONAL ASSOC	256	\$22,944,800	218	\$11,995,600	85%	52.3%
INNVAOTIVE BANK	193	\$4,992,000	193	\$4,992,000	100%	100.0%
CAPITAL ONE, FEDERAL SAVINGS BANK	176	\$7,060,000	176	\$7,060,000	100%	100.0%
WASHINGTON MUTUAL BANK	159	\$4,335,900	159	\$4,335,900	100%	100.0%
U.S. BANK NATIONAL ASSOCIATION	157	\$30,772,600	126	\$4,075,600	80%	13.2%
CALIFORNIA BANK & TRUST	117	\$13,596,500	106	\$7,952,500	91%	58.5%
CITIBANK (WEST), FSB	100	\$4,835,000	99	\$4,551,500	99%	94.1%
BANCO POPULAR NORTH AMERICA	87	\$24,740,100	56	\$3,163,300	64%	12.8%
WILSHIRE STATE BANK	67	\$30,251,200	31	\$2,794,000	46%	9.2%
HANMI BANK	58	\$20,936,700	33	\$3,248,200	57%	15.5%
UNION BANK OF CALIFORNIA, N.A.	49	\$1,317,500	49	\$1,317,500	100%	100.0%
CENTER BANK	42	\$13,068,600	28	\$2,625,000	67%	20.1%
NATIONAL BANK OF CALIFORNIA	41	\$23,783,600	7	\$1,350,000	17%	5.7%
SAEHAN BANK	39	\$10,842,000	26	\$2,143,000	67%	19.8%
MIRAE BANK	37	\$14,314,000	15	\$1,337,000	41%	9.3%
UNITI BANK	33	\$14,560,600	16	\$2,219,000	48%	15.2%
UNITED COMMERCIAL BANK	30	\$10,081,500	8	\$1,600,000	27%	15.9%
FIRST STANDARD BANK	26	\$9,420,000	14	\$2,427,500	54%	25.8%
NARA BANK	24	\$13,995,000	7	\$491,500	29%	3.5%
PACIFIC CITY BANK	22	\$12,922,700	1	\$140,000	5%	1.1%
HSBC BANK USA, NATIONAL ASSOCIAT	21	\$1,298,000	21	\$1,298,000	100%	100.0%
BEACH BUSINESS BANK	18	\$4,572,300	10	\$1,130,000	56%	24.7%
CALIFORNIA OAKS STATE BANK	17	\$1,702,000	9	\$825,000	53%	48.5%
INTERNATIONAL CITY BANK, NATIONA	14	\$4,042,500	3	\$150,000	21%	3.7%
SHINHAN BANK AMERICA	13	\$3,919,000	1	\$50,000	8%	1.3%
TELESIS COMMUNITY CU	13	\$3,632,000	5	\$265,000	38%	7.3%
SOUTH COUNTY BANK, NATIONAL ASSO	12	\$5,154,500	1	\$250,000	8%	4.9%
MID-STATE BANK & TRUST	11	\$1,250,000	9	\$900,000	82%	72.0%
ALLIANCE BANK	9	\$4,060,800	3	\$650,000	33%	16.0%
BAY CITIES NATIONAL BANK	9	\$574,000	2	\$55,000	22%	9.6%
COMMUNITY BANK	6	\$2,360,000	3	\$335,000	50%	14.2%
EAST-WEST BANK	6	\$2,000,000	1	\$100,000	17%	5.0%
MISSION COMMUNITY BANK	5	\$1,805,000	1	\$150,000	20%	8.3%
PACIFIC PREMIER BANK	5	\$965,000	5	\$965,000	100%	100.0%
BANK OF THE WEST	4	\$690,000	3	\$225,000	75%	32.6%
CITY NATIONAL BANK	3	\$582,000	3	\$582,000	100%	100.0%
COAST NATIONAL BANK	3	\$1,255,000	1	\$125,000	33%	10.0%
FOOTHILL INDEPENDENT BANK	3	\$240,000	1	\$100,000	33%	41.7%
MONTECITO BANK & TRUST	3	\$952,000	2	\$200,000	67%	21.0%
PFF BANK & TRUST	3	\$650,000	1	\$200,000	33%	30.8%
FAR EAST NATIONAL BANK	2	\$413,000	1	\$80,000	50%	19.4%
MANUFACTURERS BANK	2	\$500,000	2	\$500,000	100%	100.0%
CABARRUS BANK & TRUST COMPANY	1	\$90,000	1	\$90,000	100%	100.0%
COMMERCEWEST BANK, N.A.	1	\$250,000	1	\$250,000	100%	100.0%
FIRST COMMERCE BANK	1	\$350,000	1	\$350,000	100%	100.0%
FIRST TENNESSEE BANK, NATIONAL A	1	\$25,000	1	\$25,000	100%	100.0%
HERITAGE OAKS BANK	1	\$150,000	1	\$50,000	100%	33.3%
INDEPENDENCE BANK	1	\$150,000	1	\$150,000	100%	100.0%
MISSION VALLEY BANK	1	\$60,000	1	\$60,000	100%	100.0%
ORANGE COUNTY BUSINESS BANK, NAT	1	\$100,000	1	\$100,000	100%	100.0%
SANTA LUCIA BANK	1	\$96,000	1	\$96,000	100%	100.0%
SILVER STATE BANK	1	\$50,000	1	\$50,000	100%	100.0%
<b>TOTALS</b>	<b>2699</b>	<b>\$361,014,200</b>	<b>2260</b>	<b>\$108,480,900</b>	<b>83.7%</b>	<b>30.0%</b>